

## SELF-EMPLOYMENT INCOME WORKSHEET - Partnership

Tax Year Filing (Do Not Use Before Tax Year 1993)		Case Number	
Case Name	Worker Name	Worker ID	Date Completed

### STEP I - CALCULATE PARTNER'S SHARE OF PARTNERSHIP INCOME

Use Schedule K-1, Form 1065

(1) Enter ordinary income	from line 1	(1) \$
(2) Add guaranteed payments to partners	From line 5	(2) + \$
(3) Add the total of interest from All-Savers Certificate, dividends qualifying for exclusion, net short-term capital gain (loss), net long-term capital gain (loss) net gain (loss) from involuntary conversion, other net gain (loss) under Section 1231, real estate rental income (loss) and other	enter total of lines 2, 3c, 4a-f, 6 and 7	(3) + \$
(4) Equals partner's share of partnership income	combine (1) through (3)	(4) = \$

### STEP II - CALCULATE PARTNER'S SHARE OF DEPRECIATION AND DEPLETION.

Use Form 1065

(1) Enter depreciation*	from line 16a	(1) \$
(2) Add depletion	from line 17	(2) + \$
(3) Equals total depreciation and depletion	combine (1) and (2)	(3) = \$
(4) Enter partner's share of ordinary income (loss)	from STEP I, (1) above	(4) \$
(5) Divide (4) by total ordinary income (loss) for partnership	from line 22	(5) -
(6) Equals partner's percentage in partnership	divide (4) by (5)	(6) =
(7) Multiply (6) by total depreciation and depletion	from STEP II (3)	(7) x \$
(8) Equals partner's share of depreciation and depletion	multiply (6) by (7)	(8) = \$

\* This note applies only when entries are made on Form 1065, Schedule H, indicating rental income, and/or line 5, indicating farm income; depreciation for farm and/or rental income should be entered on line 19a, Form 1065 (as a subtraction). Therefore, it is often incorrectly omitted from both. This can be checked by looking at the supporting schedules: line 16 on Schedule F (1040) for farm partnerships and where depreciation is labeled on the supporting rental schedule.

### STEP III - CALCULATE PARTNER'S IM-INCOME FROM THE PARTNERSHIP (ADD DEPRECIATION BACK IN)

Use results from STEP I and II above

(1) Enter partner's share of partnership income	from STEP I (4), above	(1) \$
(2) Add partner's share of depreciation and deletion back in	from STEP II (6), above	(2) + \$
(3) Equals partner's IM-Income from partnership	combine (1) and (2)	(3) = \$

**NOTE: DIVIDE STEP III, LINE (3), BY THE NUMBER OF MONTHS "IN OPERATION" TO GET THE MONTHLY AVERAGE.**

**RETAIN COMPLETED FORM IN CASE RECORD**